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Assessing Equity of Early Childhood Resource Allocation in Illinois

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Equitable Resource Distribution Matters

“THE HIGHEST RATE OF RETURN IN EARLY CHILDHOOD DEVELOPMENT COMES FROM INVESTING AS EARLY AS POSSIBLE, FROM BIRTH THROUGH AGE FIVE, IN DISADVANTAGED FAMILIES.

—JAMES J. HECKMAN, NOBEL MEMORIAL PRIZE WINNER IN ECONOMICS & UNIVERSITY OF CHICAGO PROFESSOR, DECEMBER 7, 2012

There is significant momentum and investment to address early childhood funding resource equity

- IECAM
- Illinois Action for Children reviews
- Governor's Funding Commission

Gov. Pritzker Calls on Illinois to Become Best State in Nation for Families Raising Young Children

Press Release - Monday, December 16, 2019

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Chicago — After making the largest investment in child care in the past year, Governor JB Pritzker gathered with cabinet members for greater state investment in child care program and announced a new 29-member commission of experts to chart the path forward.

"I've asked you to join me today as we set an ambitious goal for the nation for families raising young children, with a focus on child care," **said Governor JB Pritzker.** "My promise is to ensure that every child in this state enters kindergarten ready to learn and solve problems, and that every parent has the support to work, free from conflict, self-regulation, and early learning program standards and metrics."

Pritzker Administration Announces \$1.6 Billion in Federal Aid to Increase Access to High Quality Early Childhood Education and Childcare

Press Release - Friday, April 16, 2021

Gov. Pritzker Announces \$200 Million Investment to Strengthen Early Childhood Workforce

Press Release - Wednesday, July 28, 2021

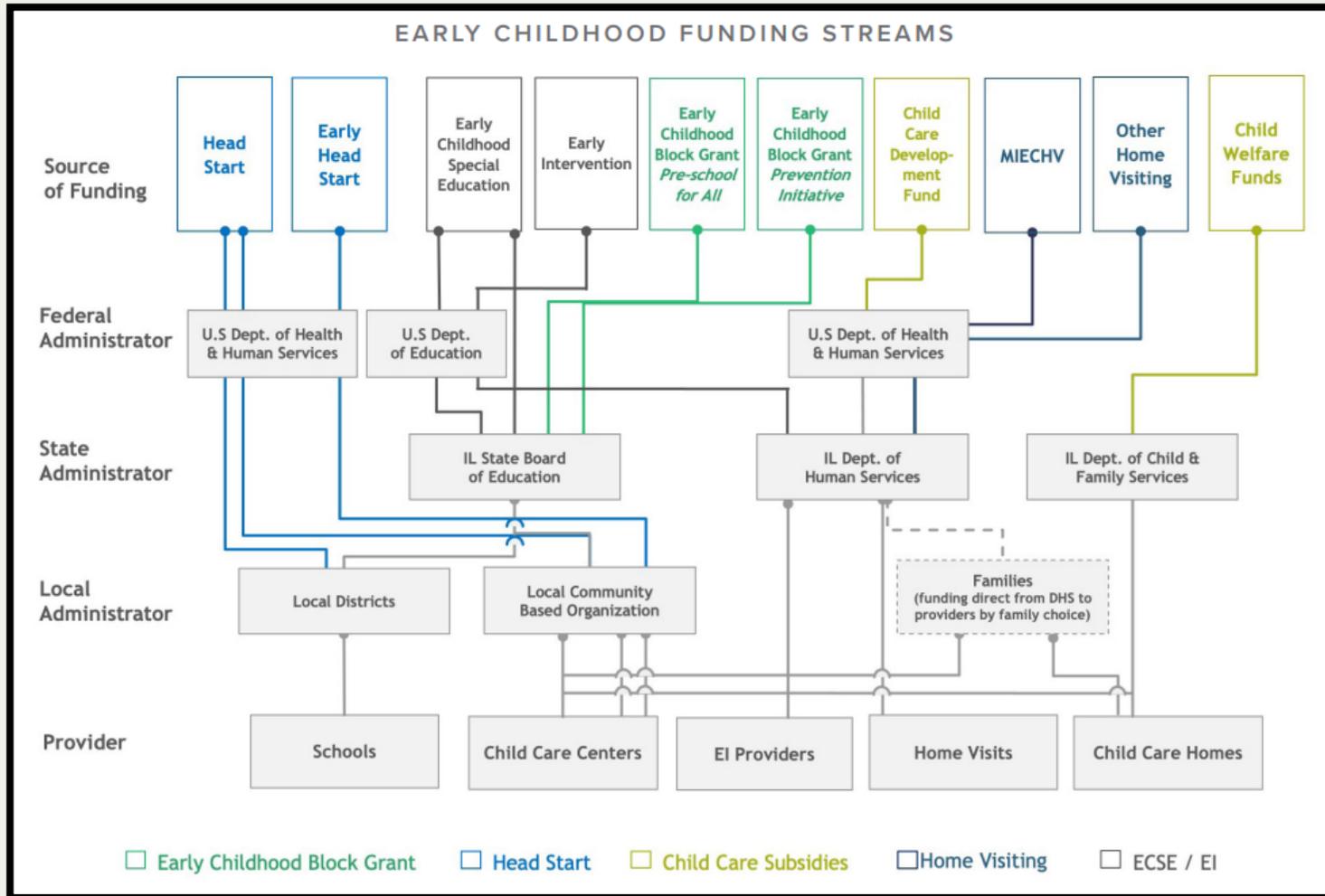
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Funding Aims to Expand Early Childhood Educator Pipeline Through Advanced Degree Scholarships and Mentorship

Signs HB 2878 Establishing Statewide Early Childhood Consortium to Distribute New Funding

CHICAGO - Building on the administration's ongoing work to make Illinois the best state in the nation for families raising young children, Governor JB Pritzker announced a \$200 million investment of federal funds in additional training, mentorships, and scholarships to pursue advanced credentials for the childcare workforce over the next two years. The governor also signed HB 2878, establishing a statewide early childhood consortium to strengthen access to high quality child care and direct this funding to where it can be most effective.

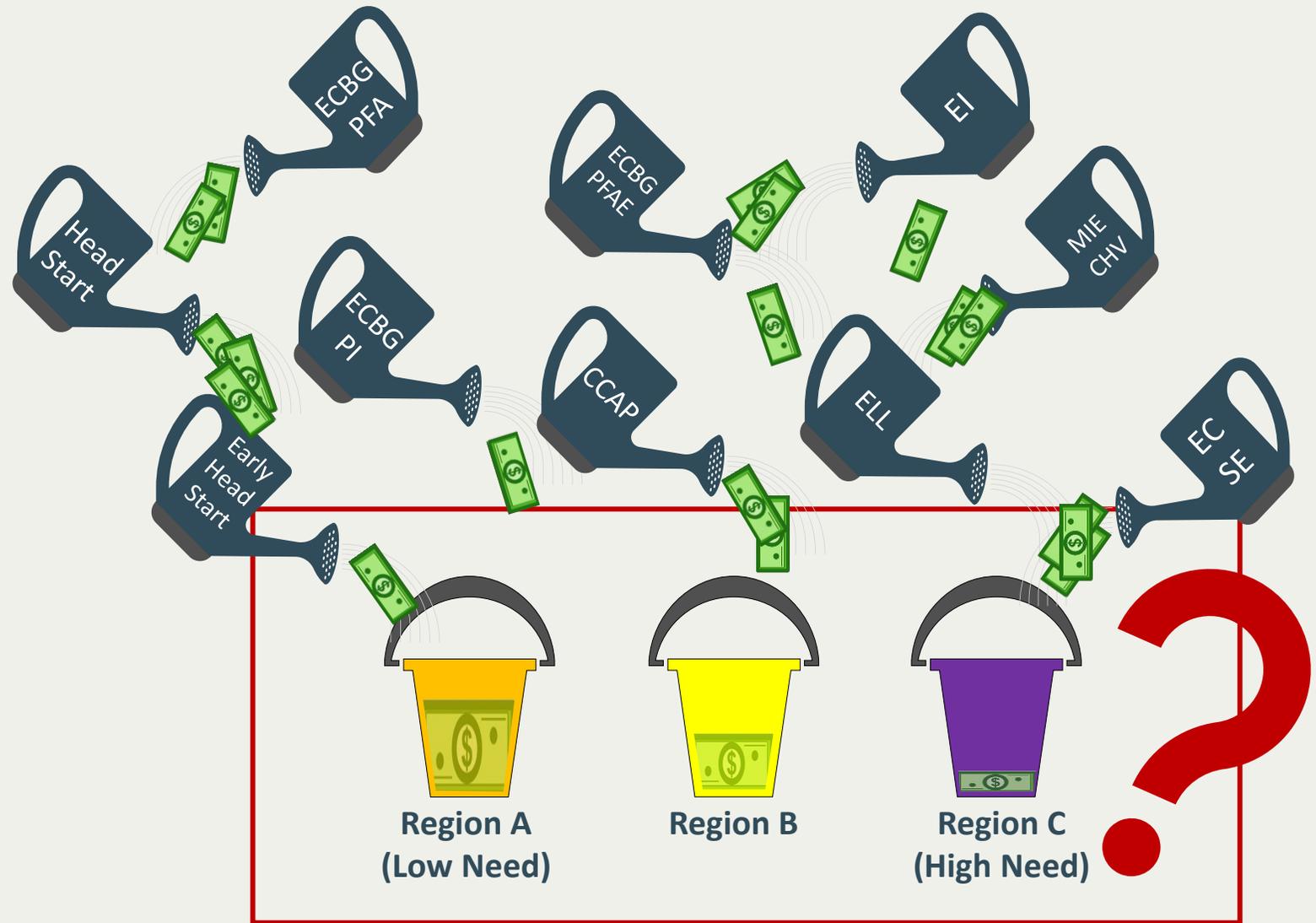
in the nation for families raising young children, Governor JB Pritzker announced a \$1.6 billion investment of federal aid to expand access to high quality early childhood education and childcare for all families across the state over the next three weeks, including a focus on child care. To ensure Illinois can be the best state in the nation for families raising young children, the Commission on Early Childhood Education and Childcare will lead the effort to create a network of statewide early childhood services.



But distribution across funding sources lacks cohesion, which can lead to unintended equity issues.

From Illinois Commission on Equitable Early Childhood Education and Care Funding
Commission Report of Findings and Recommendations Spring 2021

Today's systems limit the State's ability to comprehensively understand how equitable - *or inequitable* - ECEC funding is today.



*Funding distribution has been focused on the “watering can”-perspective.
But what if funding distribution was thought through the “bucket”-perspective?*

The State's K-12 system has a way to measure current funding and compare against need across the State. The ECEC system doesn't.

Kindergarten – 12th Grade ISBE's Evidence Based Funding (EBF)

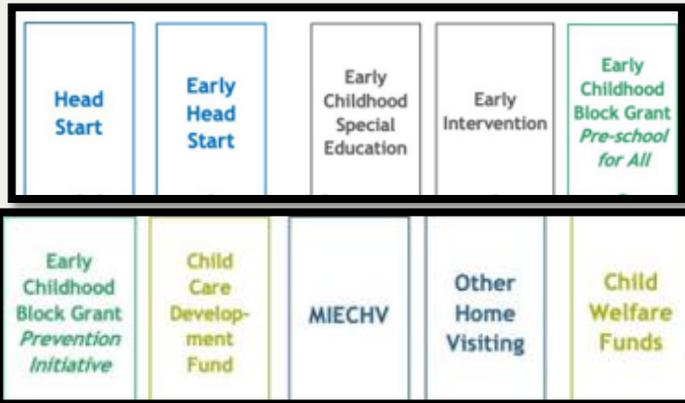
- Provides a uniform way of estimating the funded needed to provide an "adequate" education, based on the characteristics of the children to be served
- Considers each school district's current state and local funding resources, and sends more resources to the State's most under-resourced students
- Takes the necessary first steps toward ensuring all schools have the resources they need to provide a safe, rigorous, and well-rounded learning environment for all students

0 to 5-Year-Old ECEC

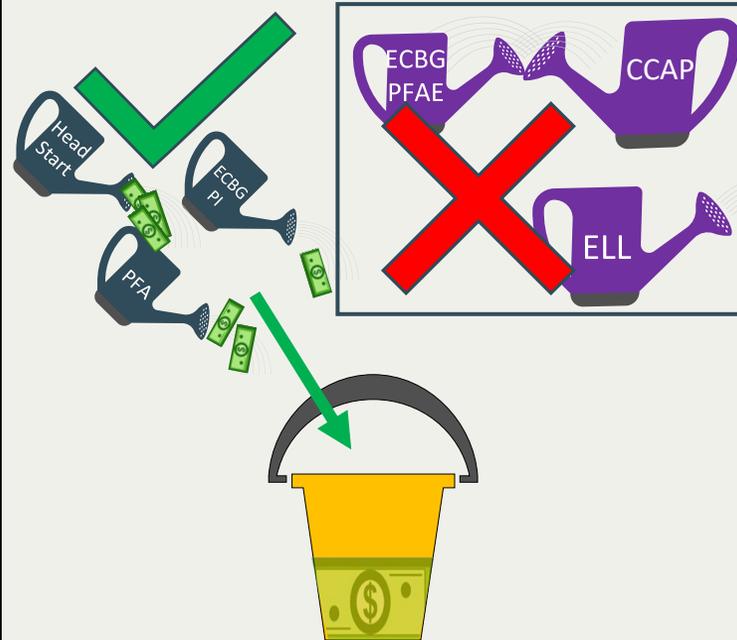


In order to meet its vision of equity, the State needs to understand...

How are all funding streams in Illinois allocated?



Who has access to which funds?



What level of funding is needed?



GEAM Overview



The State has completed an analysis, the **GEAM**, to understand Equity and Adequacy

Geographic

Compares ECEC funding across 750+ Unit and Elementary school district geographies.

Equity

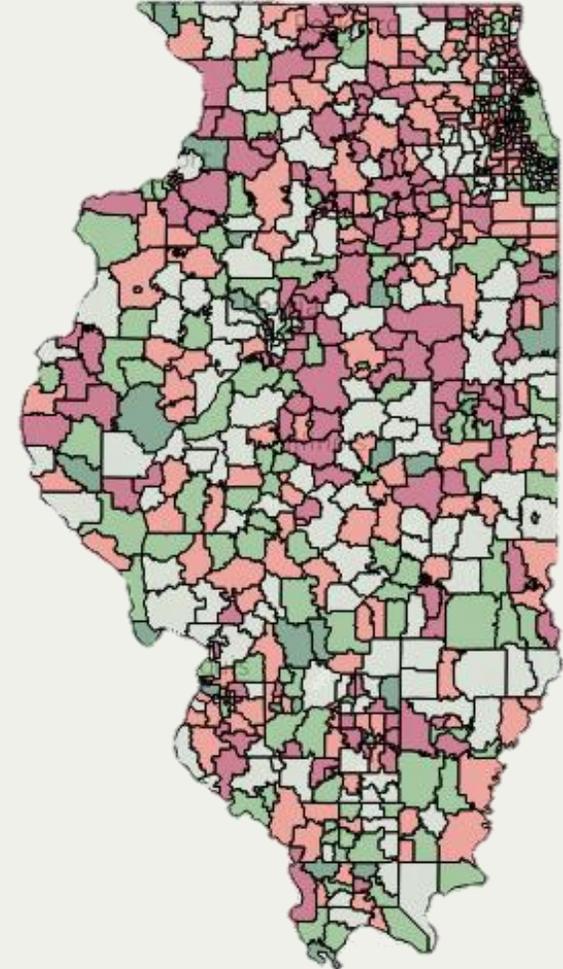
Compares funding equity across demographic attributes of families and children.

Adequacy

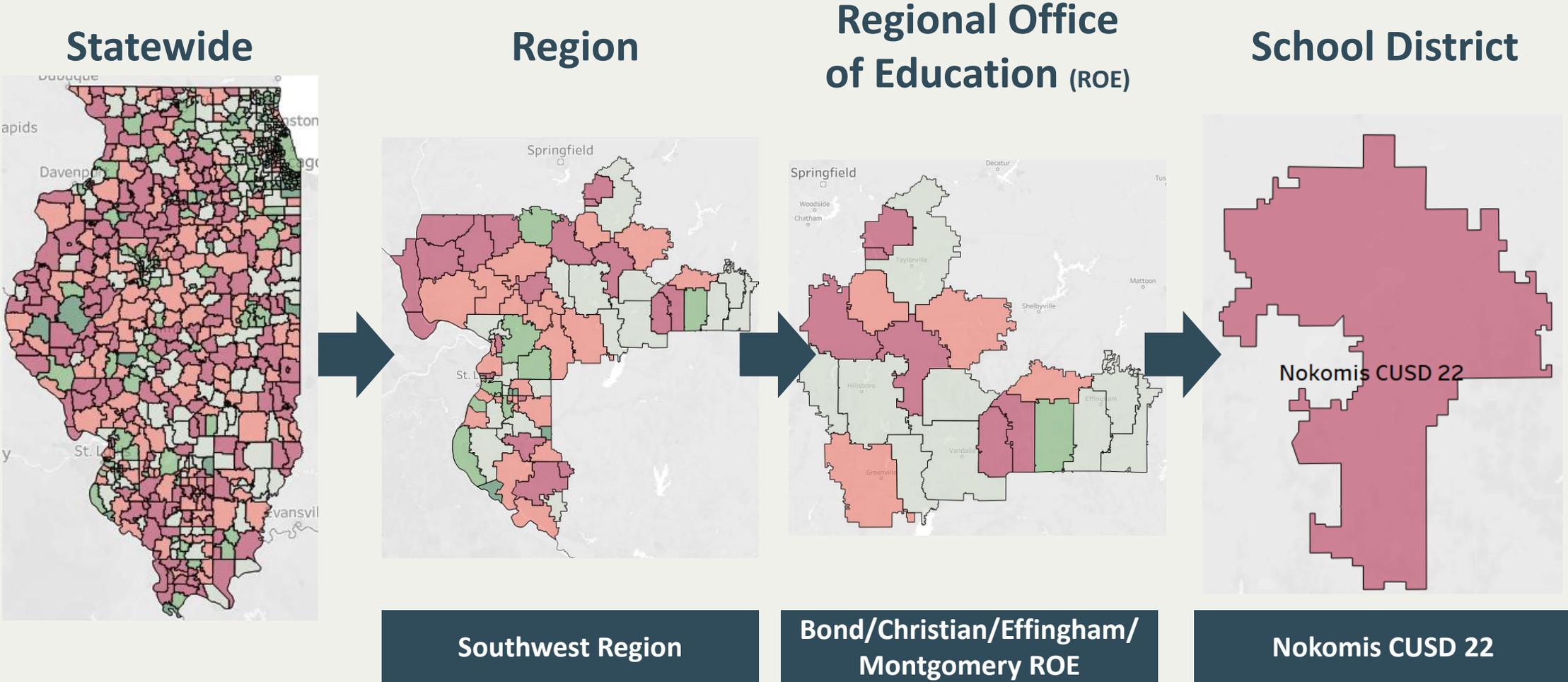
Compares current funding to the adequate level of funding needed for families and children based on demographics.

Mapping

Compares funding and adequacy levels across geographies.



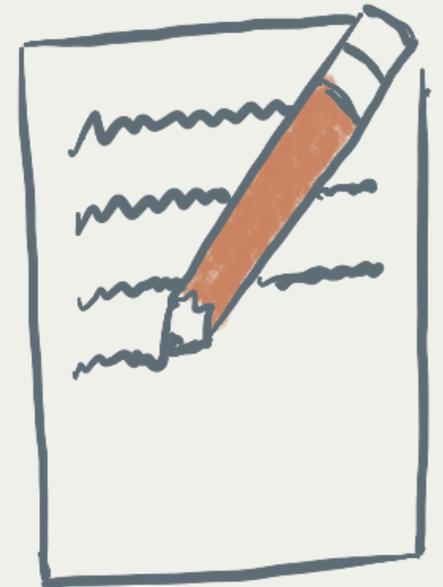
GEAM allows for a comprehensive understanding of *where funding is currently allocated* along these geographic levels of detail



With this understanding of where funds are going today, we can begin to assess levels of ‘equity’ and regional ‘funding adequacy’

Equity is when we meet communities and people where they are and allocate resources and opportunities according to their respective needs.

Funding Adequacy is the target amount needed to meet families’ learning needs and preferences with comprehensive services that are sufficient to address the needs of children who are furthest from opportunity.



The GEAM database establishes both how equitably available funding is distributed today and how far current funding levels are from target amounts needed

Today's System



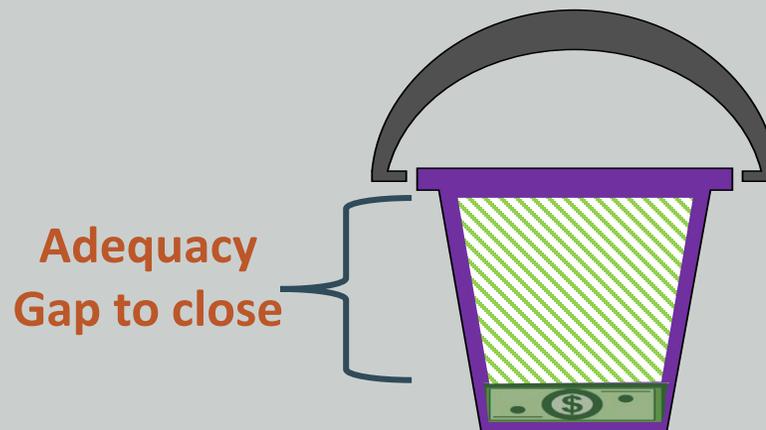
Region A at \$10k per child



Region B at \$3k per child

How equitably are funds distributed today?

Adequate System



Region at 10% of Adequacy

How far from adequacy is each region?

The GEAM looks at funding per “priority-eligible” child to normalize for need

To understand equity, this analysis **looks primarily at low-income children***, *not all children*, birth through age five

*Plus 10% of all children to acknowledge funds intended to serve those at risk of or with developmental delays or disabilities.

Most ECEC funding streams are intended to serve low-income children birth through age five

Most ECEC funds, therefore, should be going to low-income geographies

Showing funds as compared to all children would skew results: higher-income geographies would appear to be underfunded



GEAM Data Insights



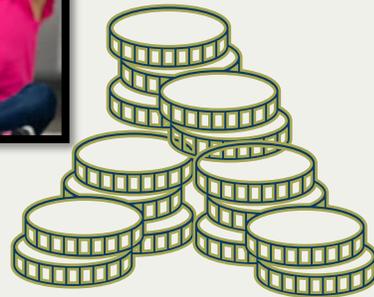
With GEAM, we can meaningfully compare funding across geographies and needs

Region A

- 70% of children in low-income households
- 40% African American, 25% Hispanic/Latino, 35% White
- 10% families in bilingual households



\$5,000 per priority-eligible child

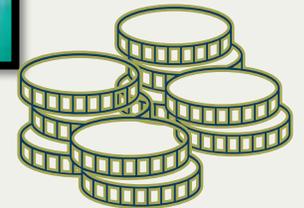


Region B

- 72% of children in low-income households
- 45% African American, 20% Hispanic/Latino, 35% White
- 8% families in bilingual households



\$2,000 per priority-eligible child



Total ECEC funding per priority-eligible child varies widely across similar school district regions in Illinois

Funding per priority-eligible child varies widely, from under \$100 in some regions to well over \$5,000 in others

Demographic factors do not explain* or predict the variation in funding

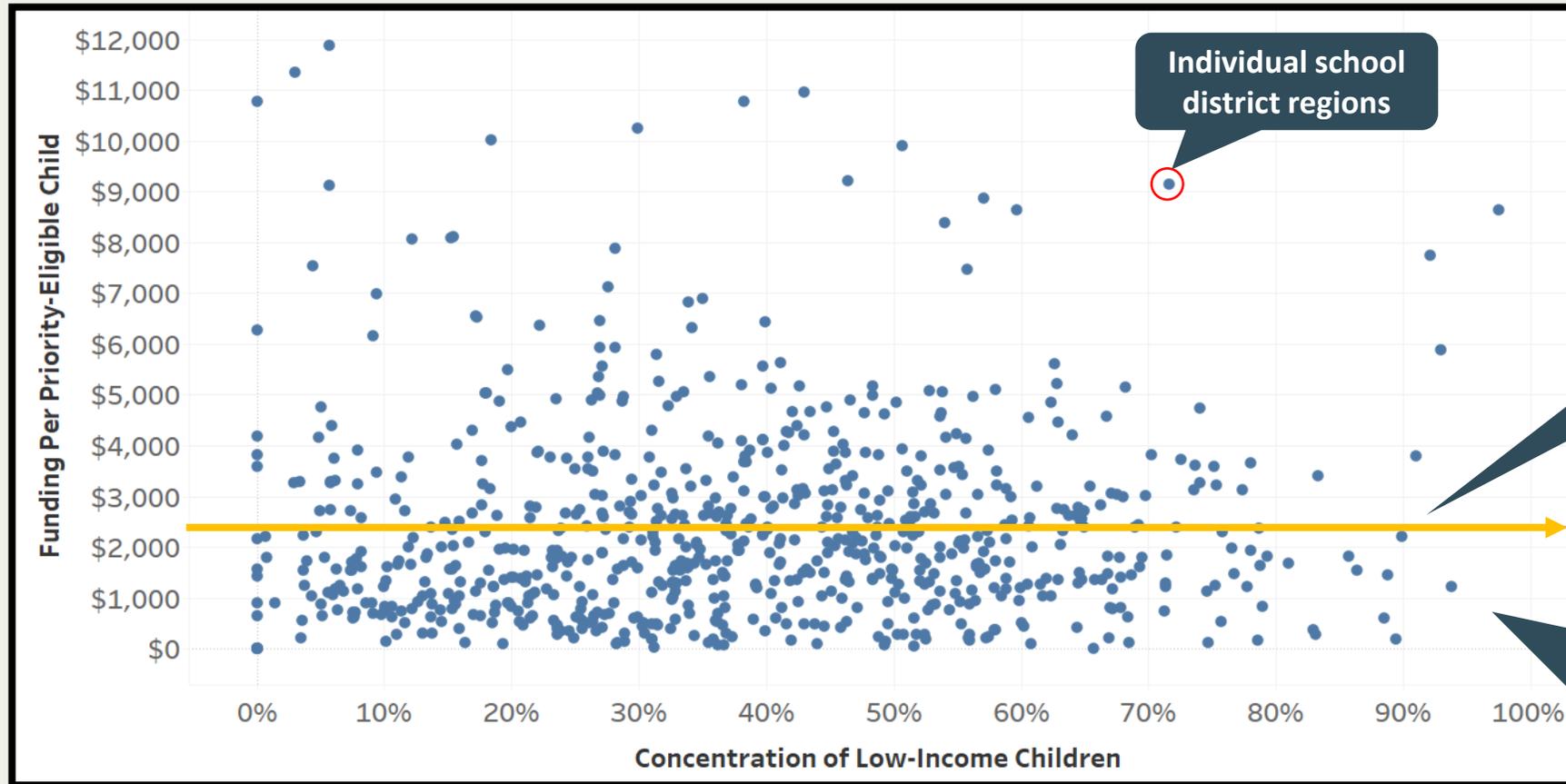
- ✗** Concentration of poverty in a community
- ✗** Primary Race and/or Ethnicity
- ✗** Concentration of bilingual households in a community
- ✗** Region size
- ✗** Kindergarten readiness scores of the local school district

“explain” defined as R-squared < 10%; R-squared reflects to what extent the variance funding per priority-eligible child is explained by a demographic variable.



Funding per priority-eligible child is not correlated to concentration of low-income children

Children Ages 0-5; Total State and Federal ECEC Funding per Priority-Eligible Child



Funding trend line shows no funding difference for higher concentrations of low-income children

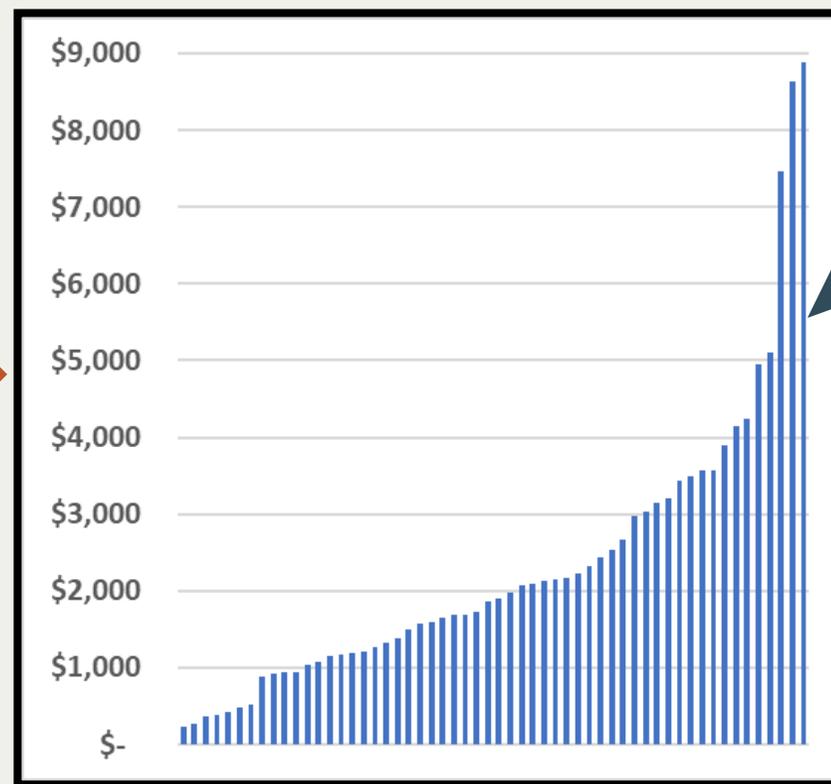
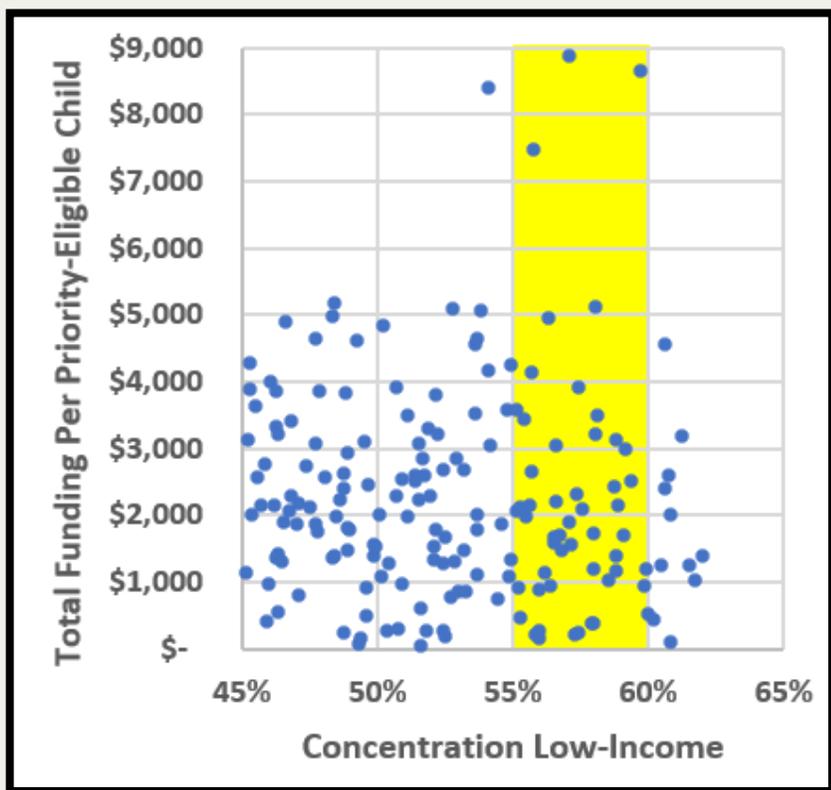
Variability in funding per priority-eligible child is high, even for school district regions with similar levels of concentration of low-income children

*FY19 data – DRAFT, FOR INTERNAL DISCUSSION ONLY; excluding Home Visiting

*Only showing max \$12K per priority-eligible child

Funding per priority-eligible child varies significantly, even for school district regions with similar levels of concentration of low-income children

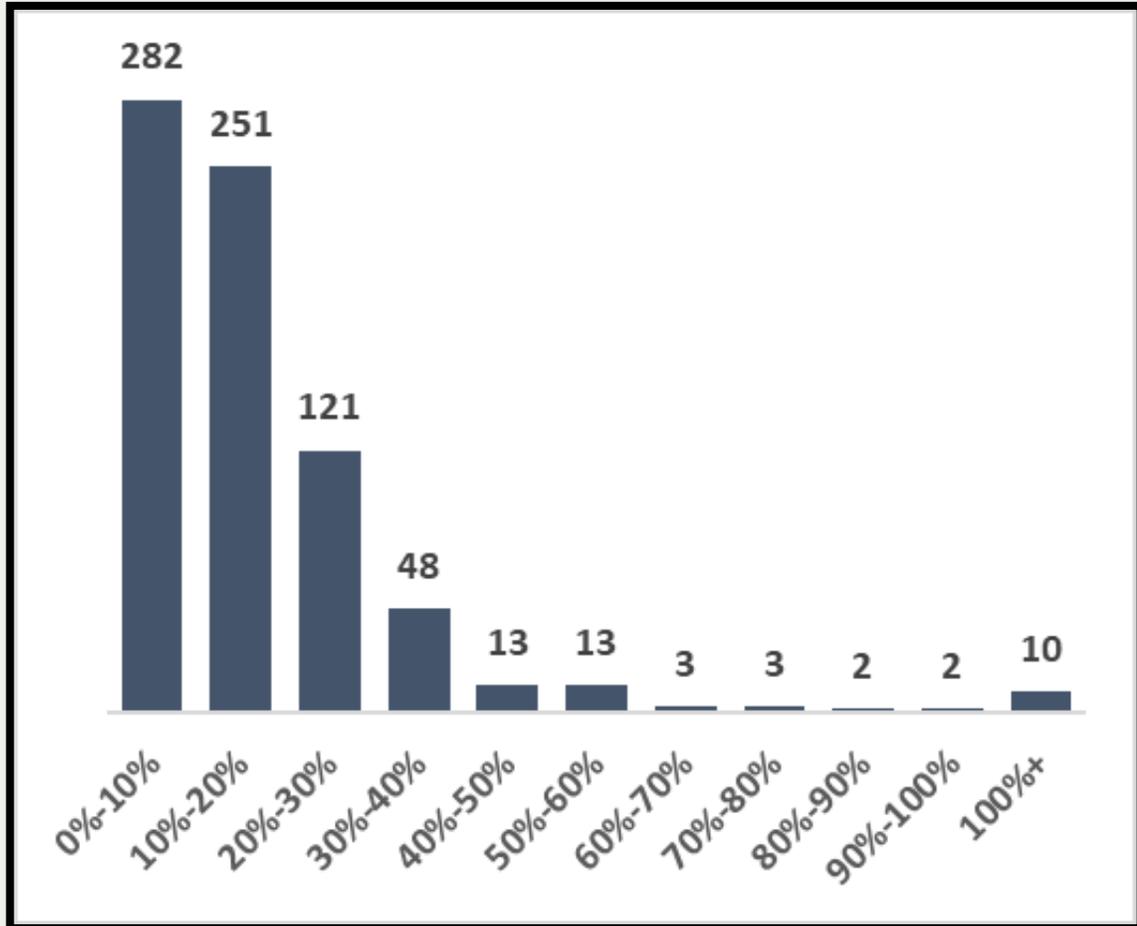
Children Ages 0-5; Total State and Federal ECEC Funding per Priority-Eligible Child



Funding for school district regions within 55-60% concentration of low-income children

*Showing 56 school district regions, excluding regions in the top 5% and bottom 5% of funding per priority-eligible child of this dataset

Count of School District Regions Current Funding as % of Adequacy Ranges



533 (71%) school district regions in the State are currently funded at 20% of adequacy or lower.

As a reminder, there is more work to do to update the definition of adequacy to be more in line with short-term goals. Please see the written study for details.



Implications and Next Steps

Illinois has an opportunity to rethink its funding approach to center equity

- Where should the next dollar go?
- For what purpose?
- For which children?



By taking the “bucket-focused” approach, the GEAM allows us to think about funding distribution where it is needed most.

Over time, newly formed Birth to Five Action Councils will inform investment priorities and support needed service expansion in “deserts”



<https://www.birthtofiveil.com/councils>

The B5 Action Councils in each region will:

- *Identify gaps in early childhood needs and make recommendations to expand services*
- *Work at the regional and local levels to increase capacity and readiness for service expansion*
- Amplify voices of families
- Work closely with local coalitions to support state and community goals
- Communicate regularly with families, providers, communities, policy makers, and legislators about this work
- Connect early childhood systems with support services such as housing and health systems
- Work closely with the Birth to Five Illinois State Team, Action Council staff, the Early Childhood Transformation Team (ECTT), and other partners in the region
- Create an annual report

The GEAM will be a critical tool to tackling the State's funding equity and adequacy issues

The **GEAM** will assist decision-makers in:

- Providing insight into the **current level of funding** across different regions of the state.
- Focusing on **how equitable today's funding levels** are and **understanding distance to adequacy** based on each region's needs.
- Informing **strategic investment decision-making** aligned to priorities, especially in times of rapid expansion.
- Monitoring, on an annual basis, the **State's progress toward funding equity and adequacy goals**.

Next steps to move the work forward



Update GEAM for FY21 data, including Home Visiting as possible



Determine where GEAM should be housed and develop data infrastructure plan



Create standard operating procedures for an annual update and analysis



Create geographical primers for each Birth to Five Action Council



Work with State fund managers to build toward equity in near-term allocation decisions



Embed GEAM findings in funding mechanism and governance planning discussions



Questions for Reaction

What opportunities exist at the state or regional/local levels to assess or improve equity? How can these data be helpful?

How can this process be improved or refined? What connections do you see to other analyses?

What further information would be helpful?





Thank You. Questions?

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